December 20, 2001

STAR GAS REPORTS FISCAL 2001 YEAR-END AND FOURTH QUARTER RESULTS

ANNOUNCES EIGHT ACQUISITIONS

STAMFORD, CT (December 20, 2001) -- Star Gas Partners, L.P. (the "Partnership" or "Star") (NYSE: SGU, SGH), a diversified energy distributor and services provider, specializing in heating oil, propane, natural gas and electricity, today reported results for fiscal 2001 and the quarter ended September 30, 2001. In addition, Star reported it has purchased eight home heating oil and propane companies since the Meenan Oil Company acquisition in August 2001.

For the year ended September 30, 2001, Star achieved record results with sales increasing to $1.1 billion, compared to $0.7 billion in fiscal 2000, and EBITDA growing 28% to $85.0 million, approximately $18.8 million higher than the $66.2 million in fiscal 2000. These results reflect a 25% volume increase, primarily resulting from the Company's 36 acquisitions during fiscal 2000 and 2001, as well as 2.0% colder than normal temperatures in fiscal 2001. Also contributing to this performance was a 1.2 cent per gallon gross profit margin increase, despite the relatively high energy prices prevailing during the year. These factors more than offset a $5.7 million provision for unusual bad debts at the Company's TG&E subsidiary.

In fiscal 2001, Distributable Cash Flow, excluding the impact of SFAS No. 133, was $2.31 per unit, after deducting $.28 per unit relating to TG&E's unusual bad debt provision. In fiscal 2001, Star reported a $.23 per unit net loss including the impact of SFAS No.133 and the bad debt provision compared to a $.07 per unit net income in fiscal 2000, at which time SFAS No. 133 was not in effect.

For the three months ended September 30, 2001, Star's volume increased 25% to 53.8 million gallons, from 43.0 million gallons in the comparable period in 2000, as a result of the above noted acquisition program. In addition, gross profit margins increased approximately 4.2 cents per gallon in the fiscal 2001 fourth quarter, versus the same period in 2000, despite continued high home heating oil and propane prices. The fiscal fourth quarter is a non-heating season period, when seasonal losses generally increase as the Partnership grows. As a result of a) Star's acquisition-related larger size; b) the continued accrual in the fourth quarter of Partnership bonuses related to its record year; and, c) higher operating costs at TG&E as a result of both a quarterly $2.3 million unusual increase in bad debt reserve, as well as other organizational expenses, Star's fiscal 2001 fourth quarter EBITDA loss increased to $28.9 million, from $20.3 million in the same period in fiscal 2000. Star's reported net loss for the fiscal fourth quarter, including the impact of SFAS No.133, was $2.18 per unit, compared to $1.95 per unit in the same period in fiscal 2000 at which time SFAS No.133 was not in effect.

With respect to the first quarter of fiscal 2002, Star also announced that it had purchased weather insurance that will provide the Partnership with approximately $6.1 million, which will partially offset the effects of the extremely warm weather to date in the period. The Partnership estimates that this insurance will mitigate the effects of weather by approximately 30% in the first quarter of fiscal 2002. The Partnership is also undertaking certain other measures to further offset the effects of this weather, including gross profit margin management and other revenue enhancing and cost reduction initiatives. While there can be no guarantee that these actions will have their intended effect, the Partnership is hopeful they will reduce the impact of the warm first quarter over the balance of fiscal 2002.

Since the announcement of the acquisition of Meenan Oil Company in August 2001, the Partnership has acquired eight additional heating oil and propane dealerships consisting of approximately 31.1 million gallons of annual volume. The home heating oil companies were ProvEnergy Oil of Providence, RI and Eggert Oil Company of Morristown, NJ. The propane acquisitions were Ira Wyman, Inc. of Penn Yan, NY; State Line L.P. Gas, Inc. of Decatur, IN; Valley Propane of Providence, RI; C.W. Pulver, Inc. of Bridgehampton, NY; Pittman Oil & Gas, Inc. of Nashville, IN and Southwest Georgia Gas, Inc. of Cuthberg, GA. During fiscal 2001, Star acquired 22 companies representing 219 million gallons of annual volume.

In commenting on these developments, Chairman Irik P. Sevin, stated: "Fiscal 2001 was a seminal year for Star Gas. Not only did it acquire an additional 22 companies increasing its size by 48%, but the financial results highlight the progress we have made over the past 2 1/2 years since the Star/Petro merger in 1999. Over that period, the Partnership's customer base has increased from 506,000 accounts to approximately 860,000 accounts, its revenues have grown from $0.5 billion to over $1.0 billion, EBITDA has gone from $56 million to $85 million and, most importantly, Distributable Cash Flow has grown from $1.70 per unit to $2.31 after deducting $.28 per unit related to the unusual bad debt provision. We believe this growth has been the result, not only of Star's successful acquisition program, but our focus on base business operating excellence led by an enfranchised group of customer-focused employees."

Mr. Sevin, continued, "Going forward, Star will be concentrating on three main initiatives. The first is to utilize our unique size in the home heating oil industry to access developments in technology and communications to operate even more efficiently with greater customer sensitivity; the second is to continue to capitalize on our preeminent position in the home heating oil and propane industries to profitably, and in a disciplined fashion, consolidate in those highly fragmented industries; and lastly, to further expand upon our service based relationships with 860,000 customers by marketing additional rationally related products, such as air conditioning and water treatment systems."

In regard to the TG&E bad debt reserve, Mr. Sevin, noted, "This provision was taken in regard to amounts owed by cancelled or terminated accounts that had been acquired by TG&E management in place at the time the Partnership acquired TG&E in April 2000. After the 2000 - 2001 winter season, Star changed TG&E's management and revised the Company's account acquisition, credit review and collection process to prevent a recurrence of this experience. We are excited by the performance of TG&E's new team, which appears to be bringing the Company's bad debt rate in line with Star's other operating divisions."

Star Gas Partners, L.P., is a leading distributor of home heating oil, propane and deregulated natural gas and electricity. Star is the nation's largest retail distributor of home heating oil, serving approximately 530,000 customers through its Petro and Meenan Oil subsidiaries. Star is also the nation's eighth largest retail propane distributor, serving approximately 280,000 customers throughout the Midwest and Northeast. Star owns a controlling 80.0% interest in Total Gas and Electric, which sells natural gas and electricity in the Northeast and Mid Atlantic to 50,000 customers.

This news announcement contains certain forward-looking information that is subject to certain risks and uncertainties as indicated from time to time in the Partnership's 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission. Included risks and uncertainties are the effects of the weather on the Partnership's financial results, competitive and propane and heating oil pricing pressures and other factors impacting the propane, home heating oil, natural gas and electricity distribution industries.

STAR GAS PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)

	Fiscal Years Ended September 30,	
	2001 Actual	2000 Actual
Sales	$ 1,085,973	$ 744,664
Costs and expenses:		
Cost of sales	771,317	501,589
Operating expenses	235,804	176,867
Depreciation and amortization	44,396	34,708
TG & E direct marketing expense	1,868	2,082
Unit compensation expense	3,315	649
Net gain (loss) on sales of assets	(26)	143
Operating income	29,247	28,912
Interest expense, net	33,727	26,784
Amortization of debt discount	737	534
Income (loss) before income taxes, minority interest and cumulative change	(5,217)	1,594
Minority interest in net loss of TG & E	-	251
Income tax expense	1,498	492
Income before cumulative effect of change in accounting principle	(6,715)	1,353
Cumulative effect of change in accounting principle for adoption of SFAS No. 133	1,466	- 0
Net income (loss)	$ (5,249)	$ 1,353
General Partners' interest in net income (loss)	$ (75)	$ 24
Limited Partners' interest in net income (loss)	$ (5,174)	$ 1,329
Basic and diluted net income (loss) per Limited partner unit	$ (0.23)	$ 0.07
Weighted average number of Limited Partner units outstanding	22,439	18,288

Supplementary Unaudited Data:		
Retail propane gallons sold	137,031	107,557
Home heating oil gallons sold	427,168	345,684
	564,199	453,241
Distributable Cash Flow:		
EBITDA (a)	$ 85,004 (b)	$ 66,210
Less Interest expense, net	(33,727)	(26,784)
Maintenance capital expenditures	(4,742) (c)	(3,729)
Current income taxes	(1,498)	(492)
Distributable Cash Flow	$ 45,037 (d)	$ 35,205

a. EBITDA is defined as operating income (loss) plus depreciation and amortization, TG & E customer acquisition expense and unit compensation expense, less net gain (loss) on sales of fixed assets and before the impact of SFAS No. 133. EBITDA should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations), but provides additional information for evaluating the Partnership's ability to make the Minimum Quarterly Distribution.
b. For the fiscal year ended September 30, 2001 the impact of SFAS No. 133 was $6.2 million and is included in cost of sales.
c. For the fiscal year ended September 30, 2001, maintenance capital expense includes $0.5 million of TG&E direct marketing expense.
d. For the fiscal year ended September 30, 2001 excluding the impact of acquisitions completed after the January 1, 2001,the partnership generated $48.0 million in distributable cash flow or $2.31 per unit.

STAR GAS PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)
(unaudited)

	Three Months Ended September 30,	
	2001 Actual	2000 Actual
Sales	$ 125,970	$ 105,920
Costs and expenses:		
Cost of sales	98,776	84,665
Operating expenses	59,006	41,531
Depreciation and amortization	13,346	9,261
TG & E direct marketing expense	(28)	1,150
Unit compensation expense	1,324	50
Net gain (loss) on sales of assets	(47)	87
Operating loss	(46,501)	(30,650)
Interest expense, net	8,720	6,803
Amortization of debt discount	280	136
Loss before income taxes	(55,501)	(37,589)
Income tax expense (benefit)	(255)	119
Net loss	$ (55,246)	$ (37,708)
General Partners' interest in net loss	$ (820)	$ (667)
Limited Partners' interest in net loss	$ (54,426)	$ (37,041)
Basic and diluted net loss per Limited partner unit	$ (2.18)	$ (1.95)
Weighted average number of Limited Partner units outstanding	24,917	18,977
Supplementary Data:		
Retail propane gallons sold	21,285	16,469
Home heating oil gallons sold	32,520	26,558
	53,805	43,027

Distributable Cash Flow:

Distributable Cash Flow:		
EBITDA (a)	$ (28,929) (b)	$ (20,276)
Less Interest expense, net	(8,720)	(6,803)
Maintenance capital expenditures	(2,830) (c)	(1,267)
Current income taxes (benefit)	255	(119)
Distributable Cash Flow	$ (40,224)	$ (28,465)

a. EBITDA is defined as operating income (loss) plus depreciation and amortization, TG & E customer acquisition expense and unit compensation expense, less net gain (loss) on sales of fixed assets and before the impact of SFAS No. 133. EBITDA should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations), but provides additional information for evaluating the Partnership's ability to make the Minimum Quarterly Distribution.
b. For the three months ended September 30, 2001, the impact of SFAS No. 133 was $2.9 million and is included in cost of sales.
c. For the three months ended September 30, 2001, maintenance capital expense includes $0.5 million of TG&E direct marketing expense.